

session of the Senate on Friday, July 31, 1998. The purpose of this meeting will be to review pending nominations to the U.S. Department of Agriculture and the Commodity Futures Trading Commission and vote on confirmation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Friday, July 31, 1998. The purpose of this meeting will be to mark-up legislation related to the year 2000 computer problem and the U.S. Department of Agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Friday, July 31, 1998, to conduct an oversight hearing on mandatory arbitration agreements in employment contracts in the securities industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, July 31, 1998 at 10:00 a.m. in room 226 of the Senate Hart Office Building to hold a hearing on: "Drugs, Dignity and Death: Physician Assisted Suicide?"

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON YEAR 2000 TECHNOLOGY PROBLEM

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on the Year 2000 Technology Problem be permitted to meet on July 31, 1998 at 9:30 a.m. for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ADDITIONAL STATEMENTS

"PRIVATE HEALTH INSURANCE: IMPACT OF PREMIUM INCREASES ON THE NUMBER OF COVERED INDIVIDUALS IS UNCERTAIN" (GAO/HEHS-98-203R)

• Mr. JEFFORDS. Mr. President, today, I am releasing a new U.S. General Accounting Office (GAO) report entitled "Private Health Insurance: Impact of Premium Increases on the Number of Covered Individuals Is Uncertain" (GAO/HEHS-98-203R). In November, 1997, the Lewin Group published a study that estimates for every one percent increase in health insurance premiums, 400,000 people would

lose their health care coverage. This GAO report assesses the methodology used in the Lewin Group report and evaluates the factors that could determine how premium increases relate to the number of individuals with health insurance coverage.

Over the past 14 months, the Committee on Labor and Human Resources has held nine hearings on issues relating to health care quality and two hearings on ways to increase health insurance coverage. At each of these hearings, the point was made that proposed health care legislation could increase the cost of health care and have the unintended consequence of reducing the number of individuals covered by employer-sponsored health care.

The GAO report found several problems with the original November, 1997, Lewin Group estimate. GAO concluded that, based on a more recent Lewin Group report, if health insurance premiums increase by 1 percent for only some types of insurance (for example, HMOs), then the coverage loss would be less than 300,000.

The first concern identified by the GAO with the November, 1997, Lewin Group report is that it was based on the effects of insurance premium subsidies on an employer's decision to offer insurance. The Lewin Group concluded from its studies that a one percent decrease in premiums would induce employers to offer coverage to an additional 400,000 employees. The Lewin Group then assumed that this same relationship could be reversed to represent accurately the number of employees who would lose coverage if premiums increased. The GAO analysis concludes that a more important variable in assessing the impact on health insurance coverage is not whether an employer decides to offer insurance coverage, but whether an employee will choose to accept it.

According to the Current Population Survey data, in 1996, about 70 percent of the population under the age of 65 was covered by health insurance purchased through an employer or purchased privately. About 12 percent of the population was covered by Medicare, Medicaid, or the Civilian Health and Medical Program of the Uniformed Services. And the remaining 18 percent of the population was uninsured.

Between 1987 and 1996, the number of workers who were offered insurance by their employers rose from 72.4 percent to 75.4 percent; but, at the same time, the number of workers who accepted coverage actually fell from 88.3 percent to 80.1 percent. There could be several reasons for this declining acceptance rate. In 1988, employees in small firms with fewer than 200 workers paid an average of 12 percent of their premiums. However, by 1996, the employees' premium contributions had risen to 33 percent. Also, during this same period, the States were expanding the eligibility requirements for their Medicaid programs, and the real incomes of workers declined.

The studies available to the Lewin Group in preparing their November, 1997, report were primarily focused on an employer's decision to offer coverage, not on the relationship between the cost of insurance and the number of individuals covered by insurance. These studies also varied widely in their research questions and their findings. Some of the older studies used data from 1971 and earlier.

The second factor identified by the GAO was the release by the Lewin Group, in January, 1998, of a revised estimate of the coverage loss due to health care premium increases. The Lewin Group now believes that approximately 300,000 people could lose their employer-sponsored coverage for every one percent increase in premiums. The new estimate is based on a new statistical analysis of the relationship between what employees pay for health insurance, and the likelihood that their families have access to employer-sponsored health insurance.

The Lewin Group estimates also assume equal premium increases for all types of insurance products. Since the legislation that Congress is considering will primarily affect HMO premiums, employees faced with higher premiums may switch to other types of insurance rather than drop coverage entirely. Based on the work of the Barents Group, the GAO found that this change in plans by employees would further reduce the Lewin Group estimate to a number less than 300,000.

In conclusion, the GAO report indicates that if health insurance premiums increase by one percent for only some types of insurance (for example, HMOs), then the coverage loss predicted by the Lewin Group would be less than 300,000. However, the GAO urges that this figure must be used cautiously. There are still many factors that were not included in the Lewin Group estimate, such as: changes in benefits offered by an insurance plan; changes in real wages; and what percentage of a premium increase is passed on from the employer to the employee.

Mr. President, as we consider legislation to ensure that Americans have access to high-quality health care, we must also be concerned that new health plan requirements do not lead to increased numbers of the uninsured. The GAO report, "Private Health Insurance: Impact of Premium Increases on the Number of Covered Individuals Is Uncertain," will be a valuable resource for the Congress in achieving an appropriate balance between these two important societal goals. •

#### FISCAL YEAR 1999 DEFENSE APPROPRIATIONS BILL

• Mr. DODD. Mr. President, I want to congratulate the Chairman and Ranking Member of the Defense Appropriations Subcommittee—Senator STEVENS and Senator INOUE, respectively—for finishing work on this appropriations